

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency, Probation Department	(2) MEETING DATE 10/22/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director, 781- 5200 James Salio, Chief Probation Officer, 781- 5500	
(4) SUBJECT Request to approve documents that will allow the Juvenile Hall Expansion project to move through the State Public Works Board process, including: adoption of a resolution confirming the legal right and power of the Board to enter into a ground lease agreement, approval of the SB81 State Ground Lease Agreement (Clerk's File), approval of the Right of Entry Agreement (Clerk's File), and approval a Grant of Easement (Clerk's File) for State access to the leased site through County properties; and a request to delegate approval authority to the General Services Agency Director for all future minor and incidental agreements of documents for this project.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Adopt a Resolution confirming the legal right and power of the Board of Supervisors to enter into a Ground Lease Agreement with the California Department of Corrections and Rehabilitation (CDCR) and to carry out and consummate all transactions contemplated by the Ground Lease; and 2. Approve and instruct the Chairperson to sign the State SB81 Ground Lease Agreement (Clerk's File); and 3. Approve and instruct the Chairperson to sign the State SB81 Right of Entry Agreement (Clerk's File); and 4. Approve and instruct the Chairperson to sign the Grants of Easement (Clerk's File); and 5. Authorize the General Services Agency Director to approve all future minor and incidental Agreements or documents associated with the Juvenile Hall Expansion project. 			
(6) FUNDING SOURCE(S) \$13.12 M SB 81 Funding \$3.5 M General Government Building Replacement Reserves - Juvenile Hall Bldg. Designation \$1.38M In-kind match	(7) CURRENT YEAR FINANCIAL IMPACT \$2.1 M in budgeted funding June 2009 to September 2013	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 9/17/13, 6/04/13, 4/23/13, 4/02/13, 2/07/12, 9/21/10, 6/02/09, 12/16/08, 10/14/08	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) District 2			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Janette Pell, Director, 805-781-5200; and
James Salio/ Chief Probation Officer, 805-781-5300

DATE: 10/22/2013

SUBJECT: Request to approve documents that will allow the Juvenile Hall Expansion project to move through the State Public Works Board process, including: adoption of a resolution confirming the legal right and power of the Board to enter into a ground lease agreement, approval of the SB81 State Ground Lease Agreement (Clerk's File), approval of the Right of Entry Agreement (Clerk's File), and approval a Grant of Easement (Clerk's File) for State access to the leased site through County properties; and a request to delegate approval authority to the General Services Agency Director for all future minor and incidental agreements of documents for this project.

RECOMMENDATION

It is recommended that the Board :

1. Adopt a Resolution confirming the legal right and power of the Board of Supervisors to enter into a Ground Lease Agreement with the California Department of Corrections and Rehabilitation (CDCR) and to carry out and consummate all transactions contemplated by the Ground Lease; and
2. Approve and instruct the Chairperson to sign the State SB81 Ground Lease Agreement (Clerk's File); and
3. Approve and instruct the Chairperson to sign the State SB81 Right of Entry Agreement (Clerk's File); and
4. Approve and instruct the Chairperson to sign the Grants of Easement (Clerk's File); and
5. Authorize the General Services Agency Director to approve all future minor and incidental Agreements or documents associated with the Juvenile Hall Expansion project.

DISCUSSION

On September 17, 2013 the Board approved the State SB81 construction agreements for the project. The two State agreements, grant of easement, and Resolution is a continuation of the State requirements necessary for the project to proceed to the next step.

The request to have the Board adopt a Resolution is a requirement by the State and is necessary for the future sale of State bonds that will provide the State's share of funding for the Juvenile Hall Expansion project. The Resolution confirms the legal right and power of the Board of Supervisors to enter into a Ground Lease Agreement with the CDCR and to carry out and consummate all transactions contemplated by the Ground Lease.

The two submitted agreements for Ground Lease and Right of Entry complete the requirements under the SB81 funding to legally identify the expansion lease boundary and the State's and County's rights to occupy, operate, and maintain the facilities.

The Grant of Easement for Access and Utility Transmission will provide permission to access and provide utility connections to the lease site through the County Operational Center Parcels "A" and "B" as shown in attachment to Grant of Easement. The authorization for the General Services Agency Director to process future agreements and documents for the project will facilitate minor modifications and processing State documents.

Following the approval of the Ground Lease and Right of Entry agreements, the State Public Works Board (PWB), Pooled Money Investment Board (PMIB) and the Department of Finance will review the project and authorize the County to bid the project. General Services and Probation Department will provide a comprehensive update of the project's financial status and construction services contracts prior to submitting the project to the Board for authorization to bid.

OTHER AGENCY INVOLVEMENT/IMPACT

The Juvenile Hall Expansion Steering Committee includes participants from the Probation Department, Auditor-Controller's Office, County Administrative Office, County Counsel, and General Services Agency. Committee staff are actively involved in this project's review and oversight. The following State agencies are involved in the approval process: CDCR, Board of State and Community Corrections (BSCC), the State Department of Finance, PMIB, PWB, State and local Fire Marshals, the State Real Property Division of General Services, State Water Quality Control Board, and State and US Departments of Fish and Wildlife.

FINANCIAL CONSIDERATIONS

On April 23, 2013 and September 17, 2013, General Services Agency brought to the Board's attention the potential financial impacts affecting the project and the County's cash match to the project. It was estimated that an additional \$931,000 may be needed to fund unanticipated costs for additional State fees, professional services, and construction services. The initial project appropriation in 2009 provided \$375,000 for significant unforeseen project impacts, and another \$400,000 was recently approved from FY 2012-13 excess Fund Balance to offset these additional costs. The General Services Agency will return to the Board in December to request approval to award the construction services contracts and will provide an update on the financial status the Board at that time.

Table 1. Summary of Estimated Project Costs and Available Funding

Fund Source	2008 Cost Estimate	Current Cost Estimate	Change in Cash Needed
State	\$ 13,120,983	\$ 13,120,983	\$ -
County cash	\$ 3,125,000	\$ 4,056,000	\$ 931,000
County in-kind	\$ 1,248,661	\$ 1,376,300	\$ -
Total Project	\$ 17,494,644	\$ 18,553,283	\$ 931,000
Funding for unforeseen impacts (2009)			\$ (375,000)
FBA set aside for project (2013)			\$ (400,000)
Potential unfunded future cost			\$ 156,000

RESULTS

The approval of the Agreements and the Certificates will provide the legal documents for meeting the terms and conditions under the SB81 bond funding for the construction of the facility and its ultimate operation. The expanded facility will enable the County to provide programs and services to a growing community with significant capital cost offset in State Bond funding.

ATTACHMENTS

1. 100813 JHE Resolution for Ground Lease
2. 100813 JHE Ground Lease Agreement (Clerk's File)
3. 100813 JHE Right of Entry Agreement (Clerk's File)
4. 100813 JHE Grant of Easements for Access and Utility Transmission (Clerk's file)
5. 100813 JHE Attachment A – Chronology of Board Actions
6. 100813 JHE Vicinity Map